The New Preaward Survey - Supplier Risk Management Prior to Award

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Module 4
Risk Handling & Monitoring

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MODULE 4 Topics:

- Definitions of different strategies
- Develop Handling Strategy
- Monitoring Strategy
- Supervisory Review
- Preaward Survey Manager Overall Strategy
- Finalize Report

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Risk Handling & Monitoring

Develop Handling Strategy

- Functional Specialists will provide Risk Handling Strategies for each report:
- Handling **Strategies** are provided for the customer/buyer
- Risk Handling will be accomplished between the buyer and the potential supplier before award, or by the supplier if contract is awarded.
- Handling Strategies are provided when High/Moderate Risk ratings exist.
- Preaward Survey Managers will provide an overall Handling Strategy in the Preaward Survey Manager's comments.

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Develop Handling Strategy

- Functional Specialists prepare handling strategy per Preaward Survey factor

- Suggested approach to writing a Preaward Handling strategy:

  - Risk Rating is assigned
  - Recommendation is determined.
  - High and moderate areas of risk identified.
  - Ask & answer these questions:
    - How could the buying activity modify this contract to address identified risk and assure the contract is fully executed should the buying activity decide to award?
    - What action could the buying activity take prior to awarding this contract to mitigate identified

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Develop Handling Strategy

- Suggested approach to writing a Handling strategy (cont.):
  - If Risk Rating High:
    - Recommendation may/may not be to award
    - Identify provisions to be incorporated/changed to affect post award handling by supplier.
    - Emphasize effort be accomplished prior to award
    - Recommend a follow-on survey be accomplished to assure offeror has made “changes/adjustments” if buyer accepts DCMA’s strategy.

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Develop Handling Strategy

- Suggested approach to writing a Handling strategy (cont.):
  - If Risk Rating Moderate:
    - Recommendation may/may not be to award
    - Identify provisions to be incorporated/changed to affect post award handling by supplier.
    - State whether supplier effort can be monitored during post award or a follow on Survey be accomplished.
  - If Risk Rating Low: No strategy required.

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Monitoring Strategy

- No Risk Monitoring in Preaward phase

- Risk Monitoring accomplished in the **post award** phase
  - If DCMA administers the contract
  - Risk-Based Preaward Survey becomes initial risk management plan.

- Preaward Survey Manager risk indicators/handling strategies may be used to develop Risk Monitoring if the contract is awarded.

Risk Handling/Monitoring

Supervisory Review

- Team Chiefs/Supervisors receive reports from functional specialists
- Team Chiefs/Supervisors will:
  - Review reports for content & analysis
  - Approve the assessment and handling strategies.
  - May delegate function to avoid delay of product
  - Sign off in Supervisor block of the PASS report
  - Submit report to the Preaward Survey Manager

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Preaward Survey Manager Overall Strategy

- Preaward Survey Manager/Monitor receives Supervisor reviewed/approved reports.
- Preaward Survey Managers will provide an overall Handling Strategy in the Preaward Survey Manager's comments.
- Strategy for Preaward Survey Managers/Monitors:
  - Identify/summarize strategies from functional specialists' reports (High and Moderate Risk areas)
  - Highlight strategies relating to recommendations.
  - Reference report where more detail/information may be found

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Finalize Report

- Preaward Survey Manager/Monitor:
- Provide recommendation
  - Risk Rating and Handling Strategy may impact final recommendation
  - A High risk rating does not necessarily mean a “no award” recommendation.
- Finalize the report and prepare to upload to the Supplier Information Service

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Risk Handling

End Risk Handling . . . .

Begin Risk Documentation . . . . MODULE 5